

**United States Environmental Protection Agency
Criminal Investigation Division
Investigative Activity Report**

Case Number

0500-0614

Case Title:

Village of Crestwood, IL

Reporting Office:

Chicago, IL, Area Office

Subject of Report:

Interview of (b) (6), (b) (7)(C) on July 23, 2012

Activity Date:

July 23, 2012

Reporting Official and Date:

(b) (6), (b) (7)(C)

Special Agent

09-AUG-2012, Signed by: (b) (6), (b) (7)(C)

Approving Official and Date:

(b) (6), (b) (7)(C)

Special Agent in Charge

10-AUG-2012, Approved by: (b) (6), (b) (7)(C)

Assistant Special Agent in Charge

SYNOPSIS

On July 23, 2012, (b) (6), (b) (7)(C) was interviewed relating to this investigation. (b) (6), (b) (7)(C) works for the U.S. EPA in the Drinking Water Branch.

DETAILS

On July 23, 2012, (b) (6), (b) (7)(C) (b) (6), (b) (7)(C) was interviewed by this reporting agent (RA), Special Agent (b) (6), (b) (7)(C) of the U.S. Environmental Protection Agency Criminal Investigation Division via telephone. Present during the call were Assistant United States Attorneys Erika Csicsila and (b) (6), (b) (7)(C), as well as Regional Criminal Enforcement Counsel (b) (6), (b) (7)(C).

In summary and not verbatim, unless otherwise noted, (b) (6), (b) (7)(C) provided the following information:

(b) (6), (b) (7)(C) stated that he has never had contact with any Crestwood officials or IEPA personnel regarding this investigation, or any civil proceedings relating to the Crestwood well use. However, (b) (6), (b) (7)(C) has worked with the IEPA in conducting training for staff on new regulations, as well as regulatory interpretation.

(b) (6), (b) (7)(C) graduated in 1987 with a B.S. in electrical engineering from the University of Illinois-Chicago. (b) (6), (b) (7)(C) began working for the U.S. EPA in May 1987, in the Underground Injection Control Program. This program regulates the injection of fluids into the subsurface. In this position, (b) (6), (b) (7)(C) reviewed warning shutoff systems and plans, as well as wrote and reviewed permits for oil and gas wells. (b) (6), (b) (7)(C) was in this position for approximately four years.

In approximately 1991, (b) (6), (b) (7)(C) moved into the Drinking Water Branch at U.S. EPA as a Technical Environmental Engineer. (b) (6), (b) (7)(C) worked on regulatory implementation and interpretation, basically determining what a particular rule means, and then finding a way in which to implement the rule in question. (b) (6), (b) (7)(C) was then put into the position of the Regulations Manager. As the Regulations Manager, (b) (6), (b) (7)(C) sat on national regulatory workgroups, wrote and revised drinking water regulations, and answered technical questions for states that were involved in drinking water oversight.

(b) (6), (b) (7)(C) stated that the Safe Drinking Water Act (SDWA) is a federal law that was passed in 1974, and then amended in 1986 and 1996, which governs safe drinking water, public water systems, and injection wells. Since its passage, U.S. EPA has issued regulations pursuant to the SDWA. The

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SDWA provides a framework to determine what regulations are necessary. This is achieved by looking at the potential contaminants, what the effects of those contaminants may be, the frequency of the contaminants, and whether they should ultimately be regulated.

(b) (6), (b) (7)(C) stated the concept of primacy in the SDWA means that if the federal government sets regulations pursuant to the SDWA, states must adopt rules that are no less stringent. States must submit a "primacy package" to U.S. EPA which demonstrates that their regulations are as stringent, along with a statement from the state Attorney General that regulations will be enforced. Once the U.S. EPA grants a state primacy, the state is responsible for enforcing the regulations relating to the SDWA. This primacy is delegated from U.S. EPA to the states, and the states must adopt the rules set forth by the federal government.

Along with the primacy comes funding to the states. (b) (6), (b) (7)(C) stated that there is a Public Water System Supervision Grant. This grant is an allotment of money to the state, based upon population, geographic size, and the number of water supplies. In addition, there is another pot of funding available, which includes low interest or no interest loans which is to be used to maintain Public Water Systems, including treatment of water. This is called the State Revolving Fund. With this particular fund, the money goes from U.S. EPA to the states, based upon the financial needs of the supplies. Once the state has the money, the state is responsible for administering the loans to the various supplies.

Once primacy is granted to a state, the state has the ability to enforce violations of the SDWA. However, this does not preclude the U.S. EPA from taking enforcement actions as well. If the U.S. EPA were to take action, they would need to give notice to the state, and allow them to take action first. The exception to this rule is if there is potential for imminent harm.

The regulations pursuant to the SDWA are divided among three different types of water systems, each having different requirements. The three systems are: Community Water System; Transient Water System (like a rest stop); and, Non Transient Water System (like a school, which is only used six months of the year). The segregation is made based upon the populations that are served. In the case of a Community System, people are served year round, and there is the potential for long term harm. A Community System would include any system supplying water to at least 25 people year round, or 15 service connections. In the case of a Transient System, there is only monitoring for acute health effects due to the potential duration of contact.

(b) (6), (b) (7)(C) stated that contaminants in a water system may come from source water itself, or from other places such as lead and copper, which all systems test for. The actual source water may be contaminated due to pesticides, oil, or industry. In the case of bacteria, the water is treated with chlorine. There is also the potential for water to be contaminated with disinfection byproducts, which can also be tested for. In some instances, water is tested as the source, and then again at the distribution point. In the case of Crestwood, water is tested in Chicago, and then again for some parameters in Crestwood. This is because some contaminants have effects which are not immediate, and long term exposure could be harmful. (b) (6), (b) (7)(C) stated that the full range of organic and inorganic testing kicks in after a system introduces another water source. The tests are targeted to where the contaminants are potentially coming from.

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The Consumer Confidence Reports (CCR) was developed as part of an ammendment to the SDWA. The purpose of the CCR is to report where the drinking water is coming from, the contaminants in the water, and how the water is being treated. The CCR is also used for consumer education. (b) (6), (b) (7)(C) stated that the report is supposed to disclose all sources of water, including purchased water.

The Monthly Operating Reports (MOR) are required as part of awarding primacy to a state. The state must demonstrate capabilities of running a program and the ability to monitor systems. Many states had some form of an MOR in place prior to the SDWA requiring it. Rather than make states change their forms, the U.S. EPA reviewed their forms and programs to determine if they were sufficient pursuant to the SDWA.

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